Widening fiscal gap

4659. SHRI RAJKUMAR DHOOT : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that RBI has cautioned Government about the widening fiscal gap that may hit soft rate regime;

(b) if so, Government's reaction thereto; and

(c) the steps proposed to be taken to bring down the fiscal gap ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) The Report on Currency and Finance 2001-2002 brought out by the Reserve Bank of India in March, 2003 has observed that with the widening of the fiscal gap, it would be increasingly difficult to maintain a softer interest rate regime.

(b) and (c) The Union Budget 2003-2004 acknowledges the necessity for fiscal consolidation for sustainable economic growth and underscores Government's commitment to totally eliminating budgetary drags. The budget for 2003-04 has sought to address this issue through revenue enhancement under a modern tax administration and expenditure rationalization. Towards this end, a number of initiatives have been proposed which include, among others, rationalization of tax structure, better cash management and prepayment of high cost external and internal debt. These measures are expected to bring down the fiscal deficit as a proportion of Gross Domestic Product from 5.9 per cent during 2002-03 (RE) to 5.6 per cent during 2003-04 (BE).

Slow economic recovery

4660. SHRI NANA DESHMUKH : Will the Minister of FINANCE be pleased to state :

(a) whether India has achieved a growth of 4.4 per cent during the last financial year 2002-03 and the growth rate for 2003-04 has been fixed over 6 per cent;

(b) whether in view of adverse impact of Iraq war, economic recovery has already slowed down; and

(c) if so, what steps are being taken by Government to attain the targeted growth rate during the current financial year ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) to (c) The Central Statistical Organisation (CSO) has estimated growth of real gross domestic product (GDP) in 2002-03 at 4.4 per cent. Growth targets are not fixed annually by the Government. The Tenth Five year Plan (2002—07) has targeted an annual average growth of eight per cent. There are no indications that war in Iraq has adversely affected recovery in industry and infrastructure sectors.

The Union Budget for 2003-04 has proposed a number of initiatives such as promoting infrastructure development by leveraging public money through private sector participation, promoting private investment and measures aimed at fiscal consolidation. These initiatives are expected to have a positive influence on the growth of the economy.

Profit making PSUs

4661. SHRI BHAGAT RAM MANHAR : Will the Minister of FINANCE be pleased to state :

(a) what are the names of the Public Sector Undertakings (PSUs) showing profits for the last three years;

(b) what are the names of the PSUs incurring losses; and

(c) what steps Government propose to take to takeover the control of loss making PSUs ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) The sector-wise names of Central Public Sector Undertakings (CPSUs) which made profit/incurred losses along with profit/loss for the last three years are given in Statements 7A and 7B of Volume—I of Public Enterprises Survey 2001-2002 which was laid in the Parliament on 3-3-2003 and is a published document.

(c) CPSU's are under the administrative control of various Ministries/Departments. Government take enterprise specific measures for improvement in the peformance of CPSUs including loss making ones. The measures include periodical review of performance by the administrative Ministries/Departments, reference of sick industrial CPSUs to Board for Industrial and Financial Reconstruction (BIFR), financial and business restructuring, infusion of need based funds, cost control measures, rationalisation of manpower through VRS, implementation of purchase preference policy etc.